

## **UNAPPROVED**

### **COON RAPIDS CITY COUNCIL MEETING MINUTES OF DECEMBER 6, 2011**

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#### **1. OPEN MIC/PUBLIC COMMENT**

None.

#### **2. CALL TO ORDER**

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The first regular meeting of the Coon Rapids City Council for the month of December was called to order by Mayor Tim Howe at 7:00 p.m. on Tuesday, December 6, 2011, in the Council Chambers.

#### **3. PLEDGE OF ALLEGIANCE TO THE FLAG**

#### **4. ROLL CALL**

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Members Present: Mayor Tim Howe, Councilmembers Denise Klint, Melissa Larson, Paul Johnson, Jerry Koch, Bruce Sanders and Scott Schulte

Members Absent: None

#### **5. ADOPT AGENDA**

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MOTION BY COUNCILMEMBER SANDERS, SECONDED BY COUNCILMEMBER LARSON, TO ADOPT THE AGENDA AS PRESENTED. THE MOTION PASSED UNANIMOUSLY.

#### **6. PROCLAMATIONS/PRESENTATIONS – NONE**

#### **7. APPROVAL OF MINUTES OF PREVIOUS MEETINGS:**

##### **A. NOVEMBER 15, 2011, WORK SESSION**

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MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER KLINT, FOR APPROVAL OF THE MINUTES OF THE NOVEMBER 15, 2011, WORK SESSION MEETING AS PRESENTED. THE MOTION PASSED UNANIMOUSLY.

##### **B. NOVEMBER 15, 2011, COUNCIL MEETING**

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MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER SANDERS, FOR APPROVAL OF THE MINUTES OF THE NOVEMBER 15, 2011, COUNCIL MEETING AS PRESENTED. THE MOTION PASSED UNANIMOUSLY.

8.      **CONSENT AGENDA:**
- A.      ACCEPT DONATIONS FOR THE FIRE PREVENTION BUREAU
  - B.      APPROVE THERAPEUTIC MASSAGE ENTERPRISE LICENSE FOR THERAPEUTIC INC. DBA ORIENTAL MASSAGE, 2740 MAIN STREET, SUITE 116
  - C.      APPROVE 2012 LICENSE RENEWALS
  - D.      ACCEPT EASEMENT – PONDS TOWNHOME ASSOCIATION, INC.
  - E.      AUTHORIZE FINAL PAYMENT FOR LIFT STATION #3, PROJECT 10-28
  - F.      AUTHORIZE FINAL PAYMENT FOR STREET RECONSTRUCTION, PHEASANT RIDGE DRIVE, PROJECT 11-4
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Councilmember Schulte noted a sign board was propped up against a tree along Pheasant Ridge Drive. He requested staff has this removed as the work was completed. On another topic, he requested a plaque be added to the park benches built by the Boy Scout Troop in Pheasant Ridge Park.

**MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER KOCH, FOR APPROVAL OF THE CONSENT AGENDA AS PRESENTED.**

Mayor Howe thanked the organizations that had made donations to the Fire Prevention Bureau, including the Residential Mortgage Group, Anoka County Safe Kids, Mercy/Unity Foundation, Jim and Linda Kresch, Teresa Prescott, Doris Atkins, Weston Woods of Bunker Hills Association and the Wal-Mart Foundation for their contributions to the Coon Rapids Fire Department.

**THE MOTION PASSED UNANIMOUSLY.**

9.      **OPEN MIC REPORTS:**
- A.      JOSEPH MURREL, 9950 BLUEBIRD STREET NW, #110
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Mayor Howe presented a memorandum from staff stating Joseph Murrell, 9950 Bluebird Street NW, #110, shared his concerns about the general direction of the City.

During the Open Mic portion of the November 15 Council meeting, Mr. Murrell shared his concerns about the general direction the City was taking, including job creation, past developments, and the proposed prepay ordinance. Council thanked Mr. Murrell for sharing his concerns and encouraged him to become more involved in City Commissions as a way to share his suggestions and ideas.

10.     **PUBLIC HEARINGS:**
- A.      2012 FEE REVISIONS
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Finance Director Legg presented a memorandum to Council stating on November 15th, the attached ordinance adjusting certain fees was introduced by the City Council. This ordinance is now being

presented for adoption along with resolutions which include fees not set by ordinance. Rates for the ice arena, golf course and utility funds are set by separate City Council action throughout the year.

The fees for 2012 have been adjusted by the 2011 annual adjustment of 1.0% with exceptions noted below. A request for a rate change is made only if the adjustment is enough for the fee to be rounded to the next significant dollar amount. Items to note are as follows:

Ordinance Adjusting Certain Fees (see reference number in ordinance)

(1) *Fees set by State Statute.* Certain fees under Section 5-209 (alcoholic beverages) and the gambling investigation fee under Section 5-2008 of the City Code are set by Minnesota Statutes and did not change for 2012.

(2) *On-sale liquor license.* The on-sale liquor license was compared to the amount charged by other cities. Based on this review, staff determined that it should remain at the current rate of \$9,350 for 2012.

(3) *Waste and Recycling Hauler License Fees.* Based on a review of comparable cities, these fees were increased in 2008 from \$55 to \$150 for the first vehicle with each additional vehicle at \$25 each. It is recommended that these rates be increased to \$160 for the first vehicle and \$27 for each additional vehicle to reflect the percentage increase made to other fees since 2008.

(4) *Property Monitoring Fees.* A property monitoring fee was approved by the City Council in 2006. The 2007 fees were set at \$600 per year for residential property and \$1,000 per year for commercial property to cover related costs. Staff recommends no change for 2012.

(5) In certain cases there may be no change in the fee due to rounding. For example, the tobacco license investigation fee which is rounded to the nearest \$5 had a calculated base amount of \$119.41 in 2011 and was rounded to \$120. For 2012, the calculated base increased to \$120.60, which rounded to the nearest \$5 leaves the fee at \$120.

(6) Staff recommends that certain other fees not be increased for 2012 if they are adequate to cover current costs, are seldom used and therefore difficult to establish a cost basis, and/or are comparable to rates charged by other cities.

Resolution Establishing Certain Fees and Charges for CTN Studios

The CTN fee schedule has been updated to reflect a revised daily rental rate for production truck(A) which was equipped with new high definition equipment during 2011. Also, in addition to the fee for program copies in the DVD format, there is now a fee for Blu-ray copies.

Resolution Establishing Certain Fees and Charges

Items not increased by the annual adjustment are as follows:

*Fees set by State Statute.* These include the notary fee, returned check charge, day care inspection fee and document charges. The State did not change these fees for 2012.

*Water Meters.* The City purchases water meters and sells them to contractors for installation in new construction. The rate consists of our cost (including sales tax) and a markup of 33% to cover handling and future replacements since there is no charge for the replacement of water meters.

*Water Flow Test.* This fee for the fire department is being increased from \$125 to \$150 to offset costs actually incurred.

#### Resolution Establishing Sewer Availability Charges (SAC)

Metropolitan Council Environmental Services (MCES) has notified the City that the basic metropolitan SAC charge will be increased \$135 or 6.1%. SAC charges are collected by the City and remitted to MCES for all new or expanding sewer system users. The funds are used by MCES to retire debt incurred to build and expand the metro sewer system. Resolution 11-132 provides for the increase, changing the single family SAC from \$2,280 to \$2,440 which includes \$75 that the City retains. Other housing types are increased on a pro rata basis as detailed in the resolution. The portion that the City retains to cover administrative expenses is proposed to increase from \$50 to \$75 to cover increased monitoring of property usage required by MCES. Staff will be doing an analysis in the future to determine monitoring costs for commercial properties and whether they should have a separate administrative fee.

Councilmember Klint questioned if each fee was reviewed on a yearly basis. Finance Director Legg stated the City had completed a rate study five years ago to assure that the time spent by staff was being covered by the fees charged. This was a comprehensive and time consuming process which has since led to the cost of living increase proposed this evening.

Mayor Howe opened and closed the public hearing at 7:15 p.m. since no one appeared to address the Council.

MOTION BY COUNCILMEMBER LARSON, SECONDED BY COUNCILMEMBER SCHULTE, TO ADOPT AN ORDINANCE REVISING CERTAIN LICENSE FEES, SERVICE FEES AND RELATED CHARGES EFFECTIVE JANUARY 1, 2012; RESOLUTION NO. 11-129 ESTABLISHING CERTAIN FEES AND CHARGES FOR USE OF CTN STUDIO FACILITIES EFFECTIVE JANUARY 1, 2012; ADOPT RESOLUTION NO. 11-131 ESTABLISHING CERTAIN FEES AND CHARGES EFFECTIVE JANUARY 1, 2012; AND RESOLUTION NO. 11-132 REVISING SEWER AVAILABILITY CHARGES (SAC) EFFECTIVE JANUARY 1, 2012. THE MOTION PASSED UNANIMOUSLY.

City Manager Fulton presented a memorandum to requesting the City Council hold the Truth-In-Taxation (TNT) hearing and consider adoption of the 2012 budget and tax levy.

The budget was discussed at a work session on August 10 and continued to August 30. A preliminary levy was certified to the County. December 6 was set as the Truth in Taxation public meeting at which the proposed budget for taxes payable year 2012 must be discussed. The public must be given a reasonable amount of time to comment on the proposed property tax levy and budget and to ask questions. Mr. Fulton made a short budget presentation.

City Manager Fulton reviewed the yearlong budget process and discussed the significant budget principles promoted by the Council and Staff. He indicated the Council was committed to addressing core community responsibilities, while supporting the Council's long range strategic vision assuring the City would maintain a 45% fund balance.

City Manager Fulton explained homestead laws have changed at the State level. This has affected the Market Value Homestead Credit and the funding provided to the City of Coon Rapids. The State was now completing a Market Value Exclusion. This had a higher impact on commercial properties than residential. The result and impact on properties hinged on property values and taxing jurisdictions.

City Manager Fulton reviewed the property tax levy in detail. He indicated the proposed tax levy was just over 3% and would assist the City in maintaining all City Services such as public works and public safety services to the City's residents.

After the public hearing, resolutions adopting the budget and the tax levy are included for adoption.

Mayor Howe opened the Truth-In-Taxation hearing at 7:30 p.m.

Bernice Olson, 1883 121<sup>st</sup> Lane NW, indicated she did not completely understand the tax levy increase proposed for 2012. City Manager Fulton clarified the increase would be a little over 3%. He then discussed how properties were valued throughout the City.

Ms. Olson expressed frustration with the tax levy increase. She encouraged City staff to seek further efficiencies to reduce overall expenses. City Manager Fulton indicated staff would be completing a comprehensive internal study regarding its staff and processes to assure that when new employees were brought on board the work completed was being done efficiently without an overlap of services.

Councilmember Schulte discussed the differences between the Market Value Credit and the Market Value Exclusion in further detail.

Mayor Howe believed a good portion of the State's surplus was from a change in this program.

George Gillespie, 11555 Kerry Street NW, questioned why fines were predicted to increase by 38%. City Manager Fulton explained fines have historically decreased over time as the State charged a surcharge of \$75 on each ticket. The City has since created a program called the Citizen Awareness Program (CAP) which charged residents with an administrative fine. This fine did not go onto a resident's record, was dealt with at a City administrative level and reduced the need for time spent in court.

City Attorney Hiljus stated this program has proved successful for the City as it was increasing fine revenues while reducing the City's time spent in court, adding both were positive for the City.

Mr. Gillespie felt there was a disconnect with the increase in his property tax increase as his property went up 7% with his taxes increasing 13%. City Manager Fulton stated he could review this information further with Mr. Gillespie.

Mr. Gillespie asked if the Council was taking any measures to reduce spending. Councilmember Schulte noted when he took office in 2000 the City staff was at 242 members. In 2011, this number had been decreased to 218. Staff has had layoffs and retirements in which the staff members have not been replaced. He explained that Coon Rapids is a fully developed City and no longer growing, which was attributing to the slight increase. He commented that the Council was committed to maintaining its critical services for the residents and the budget as tight as it could be.

Councilmember Sanders explained that 12 full-time positions were lost three years ago, which lead to combining positions and departments for greater efficiencies. He indicated that maintenance issues could not be delayed as the City would either have to pay now or pay even more in the future.

City Manager Fulton stated the City had just gone paperless with its Council agenda packets which had a year and half payback period. The City would reduce paper expenses and staff time spent on this each and every Friday. He reviewed several other savings items with Mr. Gillespie. City Manager Fulton stated that the City was becoming more and more efficient with its processes, but the fact was, revenues for the City were down both at a local and State level.

Mayor Howe closed the Truth-In-Taxation hearing at 7:54 p.m.

Mayor Howe thanked the residents for their comments, questions and discussion this evening. He appreciated the time spent on clarifying these issues for the public.

**MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER LARSON, TO ADOPT RESOLUTION NO. 11-124 ADOPTING THE 2012 BUDGET; AND ADOPT RESOLUTION NO. 11-125 ADOPTING THE 2012 TAX LEVY. THE MOTION PASSED UNANIMOUSLY.**

**11. BID OPENINGS AND CONTRACT AWARDS – NONE.**

12. OLD BUSINESS:

A. ADOPTION OF ORDINANCE ADDING CHAPTER 8-1500, PREPAYMENT FOR  
GASOLINE AND DIESEL FUEL

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Police Chief Wise presented a memorandum to Council stating the City Code requires some revisions in the Health, Safety and Sanitation chapter in order to prevent ongoing criminal activity at and in the proximity of Retail Fuel Businesses. Council is requested to adopt the ordinance.

The Police Department has recognized an increasing burden on its resources in the form of theft reports regarding failure to pay for gasoline, "No Pays," at some of our retail fuel businesses. In 2009 theft reports for gas "No Pays" numbered 314. There were 492 of these theft reports in 2010 and 374 as of 09/01/2011. These numbers represent considerable expenditure of limited police resources and detract from proactive policing opportunities concerning other matters in the community.

An investigation into these "No Pays" reveals that frequently an offending vehicle is registered to locations outside of Coon Rapids. This indicates that a criminal element has recognized the opportunity to enter our City and commit this crime at the handful of retail fuel businesses that do not require payment at the pump/pre-pay. In addition, many offending vehicles temporarily display license plates stolen from other vehicles to facilitate this theft of fuel. Unless the price of fuel dramatically drops these types of thefts are bound to increase.

The Police Department recognizes that regulating how private businesses choose to operate is a serious matter. Over the last several years as the price of fuel spiked, we expected all of our retail fuel businesses to convert to a payment at the pump/prepay model. However, this has not happened. It has become apparent that some of the larger corporate fuel companies that aggressively market in-store purchases of other products are not inclined to implement a pre-pay/pay at the pump policy without a specific directive from local government. And, if these larger companies do not have this policy, smaller establishments would likely feel obligated to operate their businesses in the same manner in order to remain competitive. Therefore, we are hopeful that most retail fuel businesses would welcome an ordinance requiring payment at the pump/pre-pay as long as all establishments in Coon Rapids are affected in the same manner.

Police Chief Wise reviewed a presentation with the Council regarding the top eight Level 1 crimes in the City. It was explained the number one crime was larceny or theft. Of that crime, gas thefts were highest in the City. He discussed how the increased price of gas has been directly correlated with the rising number of crimes. Police Chief Wise explained the ordinance before the Council this evening would assist the City in addressing this growing concern while reducing the crime levels in the City.

Other cities have established similar ordinances with positive results.

The ordinance implementation date is proposed to be effective January, 1, 2012.

Mayor Howe commented this was an area of concern in the City and the Council needed to seek a solution. He noted the Council could push this item to January to allow for further discussion with

the local business owners. He recommended the Council allow comments this evening from the public as well. At this time, the City does not have an alternative solution to address this concern.

Councilmember Sanders recommended the ordinance be delayed as local businesses would not be ready by January 1<sup>st</sup>. He explained he believed in the ordinance and the role of government in this issue. He suggested an exception be included in the ordinance to allow the industry to regulate the concern while extending the compliance date. He stated he would not support the ordinance based on policy if voted on this evening.

Councilmember Klint questioned which policy Councilmember Sanders did not support. Councilmember Sanders commented he felt additional research should be completed and that more discussion should be had with local business owners before this ordinance proceeded.

Councilmember Larson supported the ordinance but felt it would be fair to postpone the item to allow the local businesses time to seek alternatives before the Council took further action.

Councilmember Schulte clarified that he did not sell gasoline in the City and has not since 2006. He expressed concern with how the ordinance would affect the businesses in the City and the residents. He noted he would support delaying the ordinance only if the Council was committed to taking action in reducing the Level 1 crimes in the City, as this was a growing concern to residents. He recommended the item be postponed to a date certain.

Mayor Howe noted comments were received from the public that customers may drive to a neighboring community to buy gas if the ordinance were to proceed.

Councilmember Klint asked if the business community was involved in this process. Police Chief Wise stated the local business owners were invited to a recent meeting and representation was made by Holiday Corp., QuickTrip, Marathon, three independent station owners and several others from SuperAmerica.

Councilmember Klint indicated this issue was similar to the rental licensing process. She did not want to see this issue delayed and that the Council should seriously consider the concerns from the Police Department. She felt the business owners could work out the payment issues after the Ordinance was enacted. There were options available to allow for cash payments.

Mayor Howe addressed the exception in Councilmember Sanders' suggested ordinance.

Councilmember Koch said he was in favor of postponing the item to allow staff time to review the technology available for gas pump payments and allowing for further comments from business owners. He did not want to see the City further regulate this issue unnecessarily if possible. He felt the business owners were capable of addressing this issue themselves.

Councilmember Klint agreed it would be great if the businesses assumed this task. However, with varying sizes of the gas stations, she wanted to be assured the playing field was level.



Councilmember Koch stated this was a free market and the Council did not have the right to regulate this issue.

Councilmember Schulte commented the Council has been reaching out to these businesses since October of 2009 to find a way to address drive-offs.

Councilmember Sanders felt by delaying the ordinance, the time would allow businesses to review how to bring their pumps into compliance.

Councilmember Schulte suggested the Council and staff speak with the City of Fridley and how their pre-pay program was working.

Councilmember Johnson indicated he met with representatives from local businesses and noted he supported the ordinance with Councilmember Sanders' language to the Ordinance with the implementation date pushed back. He expressed frustration that the public has not been engaged until this time. He recommended the Council take the time to receive comments from the public.

Mayor Howe said he was not prepared to take public comment as Council has heard both sides of the argument to date and he interested in hearing new ideas or solutions to this problem. The Council was serious about this issue and was ready to take action to reduce the crime levels in the City. The challenge would be for the local businesses to create solutions to this problem to prevent drive-offs over the coming weeks.

Councilmember Schulte suggested the companies also look into how the rest of the country was preventing drive-offs other than pre-pay pumps.

Mayor Howe indicated Kansas City had a system that identified a customer similar to the process used by Costco.

**MOTION BY COUNCILMEMBER JOHNSON, SECONDED BY COUNCILMEMBER KLINT, TO ADOPT AN ORDINANCE ADDING CHAPTER 8-1500, PREPAYMENT FOR GASOLINE AND DIESEL FUEL AND THEREBY AMENDING REVISED CITY CODE – 1982, TITLE 8, HEALTH, SAFETY AND SANITATION, REVISING THE LANGUAGE PRESENTED BY COUNCILMEMBER SANDERS WITH THE IMPLEMENTATION DATE BEING MARCH 1, 2012.**

Councilmember Schulte asked if a friendly amendment could be added to include a mandatory work session between now and mid-February to review the ordinance with an amendment if necessary. This would allow the Council to address the concerns raised this evening.

**FRIENDLY AMENDMENT: TO HOLD A MANDATORY WORKSHOP BETWEEN NOW AND MID-FEBRUARY TO REVIEW THE ORDINANCE WITH AN AMENDMENT IF NECESSARY.**

Councilmember Sanders and Councilmember Klint agreed to the friendly amendment.

Councilmember Koch indicated he would not support the ordinance as it intruded on local businesses. He felt the right ordinance should be created and then passed. He suggested the item be tabled after receiving input from the stakeholders.

Mayor Howe agreed with these comments and questioned if March 1<sup>st</sup> was the correct date.

Councilmember Sanders recommended the item be tabled to January 24<sup>th</sup>. City Attorney Hiljus stated a motion to postpone or table could be made even with the motion pending.

**MOTION BY COUNCILMEMBER SANDERS, SECONDED BY COUNCILMEMBER LARSON, TO TABLE ACTION INDEFINITELY ON THE ORDINANCE WITH THE ITEM DISCUSSED AT THE JANUARY 24<sup>th</sup> CITY COUNCIL WORK SESSION.**

**THE MOTION PASSED 4-3, COUNCILMEMBERS KLINT, JOHNSON AND SCHULTE OPPOSED.**

Councilmember Schulte cautioned the Council from taking no action on this issue. He stated the Police Chief has been extremely clear on the concerns of drive-offs and action had to be taken. He understood this was a politically hot topic that the Council had to address.

Mayor Howe agreed and encouraged the public to attend the January 24<sup>th</sup> work session meeting to present comments and to discuss the issue further.

Councilmember Koch encouraged the representatives present this evening to discuss the issue amongst them to begin formulating a solution to this concern.

The Council took a short recess at 8:55 p.m.

The meeting reconvened at 8:57 p.m.

**B.      COON RAPIDS ICE CENTER CONTRACT WITH ANOKA-HENNEPIN  
         SCHOOL DISTRICT**

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Ice Arena Manager Scott presented a memorandum to Council stating the Anoka-Hennepin School District will use our new Coon Rapids Ice Center (CRIC) as their home ice for both practices and games for the High School Boys and Girls Cardinal Hockey teams.

The School District provides their standard contract which we have slightly modified to specifically address exclusive use and maintenance of certain locker rooms and language covering CRIC access and security. In the future, an addendum to this agreement will be required to outline School District financing for locker room construction. The new agreement also provides for School District rental of the outdoor rink.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER SANDERS, TO APPROVE THE COON RAPIDS ICE CENTER CONTRACT WITH THE ANOKA-HENNEPIN SCHOOL DISTRICT AND AUTHORIZE EXECUTION OF THE AGREEMENT BY APPROPRIATE CITY OFFICIALS. THE MOTION PASSED UNANIMOUSLY.

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C.      2011/2012 COON RAPIDS ICE CENTER USE POLICY

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Ice Arena Manager Scott presented a memorandum to Council stating at the November 15, 2011 Council meeting, City Council adopted a resolution establishing rental fees for ice rental for the new Coon Rapids Ice Center. Additional action is needed to consider a policy for the use of the new facility.

The Coon Rapids Ice Center Manager, Craig Scott, has prepared a proposed policy for use of the Ice Center facilities. In addition, he has established room rental rates for the various rooms in the new Ice Center. The new policy is modeled after the current policy in place for the City Center facilities. The policy contains the following components:

- Classification and priority of users
- Description of various areas for rental
- Hours of use
- General rules for facility use
- Supervision
- Liability
- Smoking policy
- Application for use
- Permit for use
- Alcohol
- Fee structure

Mayor Howe requested staff review the user trends over the first winter and summer of use to allow the Council to review this information in the future.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER KLINT, TO APPROVE THE POLICY FOR USE OF THE COON RAPIDS ICE CENTER FACILITIES. THE MOTION PASSED UNANIMOUSLY.

13.    NEW BUSINESS:

- A.      ORDER PREPARATION OF FEASIBILITY REPORT FOR STREET RECONSTRUCTION – PROJECT 12-6, 9<sup>TH</sup> AVENUE – 115<sup>TH</sup> AVENUE TO OAKWOOD DRIVE
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City Engineer Vierzba presented a memorandum to Council stating the City of Anoka is planning to reconstruct streets in the area adjacent to Coon Rapids border, south of Coon Rapids Boulevard. Ninth Avenue is the border street in that area that provides access to Coon Rapids residents. Coon Rapids will share in the costs of street reconstruction and proposes to assess the benefiting properties within Coon Rapids. A feasibility report is required as part of the assessment process. Council is requested to order preparation of a feasibility report at this time.

The City of Anoka has notified City staff that they have plans to reconstruct 9th Avenue, a City border street, in 2012. The street and right-of-way is within the City of Anoka but the street provides access for several Coon Rapids homes that front onto the street. Therefore, it is proposed that Coon Rapids share in the cost of the project and a joint powers agreement will be considered by both City Councils in the near future. The City proposes to assess the properties that benefit from this project at the same rate as any other street reconstruction project within the City. A feasibility report is required before a public hearing can be held.

**MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER LARSON, TO ADOPT RESOLUTION NO. 12-6(3) ORDERING PREPARATION OF A FEASIBILITY REPORT. THE MOTION PASSED UNANIMOUSLY.**

**B. CONSIDERATION OF PROPOSAL FROM SEH, INC. FOR ENGINEERING SERVICES FOR SANITARY SEWER LIFT STATION NO. 1 REPLACEMENT – PROJECT 12-7**

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City Engineer Vierzba presented a memorandum to Council stating as part of the five year sanitary sewer capital improvement program, we have selected Lift Station No. 1 for replacement in 2012. Lift Station No. 1 is located at 923 88th Avenue. SEH, Inc. has provided engineering services for us as part of our sanitary sewer comprehensive plan and capital improvement program. They have submitted a proposal for engineering services for this project. Consideration of the proposal is requested at this time.

As part of our ongoing capital improvement program, Lift Station No. 1 is planned for replacement in 2012. Lift Station No. 1 services the extreme southwest portion of the City west of East River Road. The proposal from SEH, Inc. is to provide engineering services to prepare a preliminary design report, plans and specifications, assist the City in bidding, and provide inspection services during the construction.

If Council approves the proposal, design work will begin immediately. We plan to have the project bid in the spring with construction beginning in early summer. Completion is planned by the fall of 2012.

**MOTION BY COUNCILMEMBER LARSON, SECONDED BY COUNCILMEMBER KOCH, TO ACCEPT THE PROPOSAL FOR ENGINEERING SERVICES FOR RECONSTRUCTION OF SANITARY SEWER LIFT STATION NO. 1 FROM SEH, INC. AND AUTHORIZE EXECUTION**

OF THE AGREEMENT FOR ENGINEERING SERVICES IN ACCORDANCE WITH THE PROPOSAL DATED NOVEMBER 10, 2011. THE MOTION PASSED UNANIMOUSLY.

C.      CONSIDERATION OF PROPOSAL FROM SEH, INC. FOR ENGINEERING SERVICES FOR THE 2012 SANITARY SEWER RELINING PROGRAM – PROJECT 12-8

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City Engineer Vierzba presented a memorandum to Council stating as part of the five year capital improvement program, we have selected several neighborhoods to continue the sanitary sewer relining program. Relining for 2012 will be done in several areas. SEH has provided engineering services for us as part of our sanitary sewer comprehensive plan and capital improvement program. They have submitted a proposal for engineering services for the relining project. Consideration of the proposal is appropriate at this time.

We are continuing our relining program for our sanitary sewer system that began in 2008. The relining will be done in areas where the clay pipe sanitary sewer exhibits significant maintenance problems. The proposal from SEH, Inc. is to provide engineering services to prepare a preliminary design report, plans and specifications, assist the City in bidding, and provide inspection services during construction for the relining project.

If Council approves the proposal, design work will begin immediately. We plan to have the project bid in early summer with construction beginning in late summer. Completion is planned by fall of 2012.

MOTION BY COUNCILMEMBER JOHNSON, SECONDED BY COUNCILMEMBER KLINT, TO ACCEPT THE PROPOSAL FOR ENGINEERING SERVICES FOR SANITARY SEWER RELINING AND AUTHORIZE EXECUTION OF THE AGREEMENT FOR ENGINEERING SERVICES IN ACCORDANCE WITH THE PROPOSAL DATED NOVEMBER 10, 2011. THE MOTION PASSED UNANIMOUSLY.

D.      CONSIDERATION OF NEW VEHICLE STORAGE BUILDING – PROJECT 11-28

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Public Services Director Gatlin presented a memorandum to Council stating at the Council work session on November 29, 2011, Kodet Architects presented two preliminary design alternates for the proposed vehicle storage building adjacent to the police station. Council reviewed the designs and wishes to proceed with the project.

At the November 29, 2011 work session, Kodet Architects presented design alternates for the new vehicle storage building to be located east of the present police station. Two alternate designs have been reviewed by a staff committee representing various departments who would use the facility.

The two concept designs presented were as follows:

Option 1 - Building design based on the original building budget of \$1.5M

Option 2 - Building design based on required space needs to meet current department requirements. The two alternates were reviewed in detail by the architect and Council. The two alternates are shown on the attached aerial photos.

After a detailed discussion Council preferred Option 2. This design provides for a building of approximately 19,150 SF and parking for 54 vehicles. In addition, storage space is provided for police and fire needs. Also, a small wash bay and air compressor are included.

MOTION BY COUNCILMEMBER JOHNSON, SECONDED BY COUNCILMEMBER LARSON, TO APPROVE OPTION 2 OF THE PRELIMINARY DESIGN FOR THE PROPOSED VEHICLE STORAGE BUILDING; AUTHORIZE THE ARCHITECT TO PROCEED TO COMPLETE FINAL DESIGN AND CONSTRUCTION DRAWINGS FOR THE PROJECT; AND APPROVE A PROJECT BUDGET OF \$2,100,000.

Councilmember Klint commented she did not attend the work session meeting where this item was discussed. She struggled with the expense and need for a building this size.

Councilmember Schulte discussed the proposed option that staff was recommending this evening. He noted the cost of the City's fleet far exceeded \$2.1 million and the building would assist the City with maintaining its vehicles.

Mayor Howe indicated he questioned the size and scope of the storage building as well. He noted each piece of equipment the City owns was reviewed at the work session and discussed in great detail. He supported the recommendation from staff.

Councilmember Johnson noted this was an extended conversation held between the Council and Staff at the last work session meeting. He believed the storage building was a wise decision.

Councilmember Koch thanked Councilmember Schulte for his summation at the work session when he stated that the City requires its residents to house vehicles in a garage and that this vehicle storage building would bring the City into compliance.

Public Services Director Gatlin commented the annual operation of the facility was estimated to be \$1.90-\$2.00 per square foot for lights and heat. This would equate to \$3,500 per month.

Councilmember Johnson felt the investment was well worth the expense as it would allow first responders and public safety personnel to begin working immediately versus spending the time to warm up vehicles.

Councilmember Klint stated she was not against the building but supported Option 1 over Option 2.

Mayor Howe encouraged the Sustainability Commission to review the building to create options to further to reduce operating expenses.

Councilmember Larson felt Option 2 provided the necessary storage both now and going into the future. She did not want to see a potential expansion back before the Council in the future.

THE MOTION PASSED 6-1, COUNCILMEMBER KLINT OPPOSED.

E.      LAND PURCHASE OPTION, ROLLING FRITO LAY SALES LP, 9160  
         EVERGREEN BOULEVARD

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Community Development Specialist Brown presented a memorandum requesting the Council consider a purchase option for Rolling Frito Lay Sales LP to purchase approximately 3 acres of City-owned land at 9160 Evergreen Boulevard.

In 2009, the City entered into an option with Rolling Frito Lay Sales LP to purchase a portion of a 12 acre parcel located across Evergreen Boulevard from its distribution facility. Frito Lay paid the City \$10,000 for the option, which expires on December 15, 2011. Because Frito Lay has not executed the option, it wishes to extend it for one additional year. Frito Lay has agreed to pay an additional \$10,000 to extend the option through December 15, 2012. Frito Lay proposes an eventual sale price of \$4 per square foot, or about \$500,000 for the site. The amount of the proposed option is \$10,000. The purchase agreement is contingent on Frito Lay completing a survey of the site to determine the exact dimensions of the parcel to be sold and soil borings to ensure suitability for the proposed use. Frito Lay would be required to obtain site plan approval for its new facility within 180 days of executing the purchase agreement.

Previously owned by Shamrock Development, the parcel was donated to the City in 2004 and about half of it is currently used as a public works “boneyard.” A protected wetland covers about 6 acres of the site and the remainder contains substantial fill, making it unsuitable for most types of development. Frito Lay wishes to purchase about 3 acres for a future traffic management facility and parking area for its trailers. Frito Lay has few options to expand on its existing site, but would like to remain in its current location. The City should retain several acres of usable land at the site for its existing operations. A portion of the site could also be used for a future water tower. Due to the soil conditions, Frito Lay’s proposed use is probably the highest and best use of the land; constructing a larger building would most likely be cost-prohibitive.

Staff recommends that the Council introduce an ordinance approving execution of an option for Rolling Frito Lay Sales LP to purchase the real property at 9160 Evergreen Boulevard. At the December 20 meeting, Council will consider adoption of the ordinance and authorize and direct the Mayor and City Manager to execute the necessary documents to enter into the option.

Hearing no objections, Mayor Howe declared the ordinance to have been introduced.

F.      REDEMPTION OF OUTSTANDING BONDS

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Finance Director Legg presented a memorandum to Council stating bonds maturing in 2018 and later of 2002B, G.O. Tax Increment, should be called to save interest costs.

The 2002B, G.O. Tax Increment Bonds are callable on February 1, 2012. The remaining bonds bear interest at rates ranging from 3.55% to 4.7%. Staff is recommending that the bonds maturing in 2018 and later be called as of February 1, 2012. The rates on these range from 4.20 percent to 4.70 percent and outstanding balance of these bonds is \$510,000.

Although these are not sufficient funds available in the corresponding tax increment district, the district will incur less interest expense if the bonds are called and the fund runs a deficit balance drawing from the cash available in the City. Presently, City investments are earning roughly 2.25 percent, which is credited to the tax increment district. The present value savings amounts to roughly \$78,000. The City also has the option of refunding the bonds, locking in lower rates. However, by doing so, approximately \$40,000 would be spent in fees to financial advisors, rating agencies and bond attorneys. By paying off the bonds and using City cash on hand, these costs can be avoided. A six percent or greater investment yield would be needed to pay for the bond issuance fee.

Therefore staff is recommending that the higher cost bonds be called on February 1, 2012.

MOTION BY COUNCILMEMBER LARSON, SECONDED BY COUNCILMEMBER KLINT, TO ADOPT RESOLUTION NO. 11-127 CALLING FOR REDEMPTION OF THE 2018 THROUGH 2025 BONDS OF 2002B, G.O. TAX INCREMENT REVENUE BONDS. THE MOTION PASSED UNANIMOUSLY.

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#### G. 2012 INSURANCE RENEWALS

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Finance Director Legg presented a memorandum to Council stating the City's property/liability policy year ended on December 1, 2011. The Worker's Compensation policy is set to expire on January 1, 2012. The League of Minnesota Cities Insurance Trust (L.M.C.I.T.) is in the process of setting the rates and preparing quotations for both of these policies for the coming policy year.

To ensure that there is no lapse in insurance coverage staff has obtained an insurance binder from the L.M.C.I.T. continuing all current policies until the renewal rates can be analyzed. Staff assured Council that the City's policy had not lapsed and that the City was covered through a binder.

No action is necessary at this time. Staff will make a recommendation for insurance renewals after reviewing the quotations.

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#### H. 2011-2013 LAW ENFORCEMENT LABOR SERVICES LOCAL #207 LABOR AGREEMENT

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City Manager Fulton presented a memorandum requesting the Council formally ratify the terms of the negotiated labor agreement for 2011-2013 between the City of Coon Rapids and Law Enforcement Labor Services Local 207 representing the Police bargaining unit.



A three-year (2011-2013) agreement was reached after two formal negotiation sessions. The Law Enforcement Labor Services Local 207 membership voted and ratified the tentative agreement on October 27, 2011.

The substantive terms of the agreement are summarized below.

1. Contract Duration: Three years, calendar years 2011 – 2013.
2. Amend Article 24.1, Injury on Duty, to read as follows:

An officer injured in the line of duty, covered by Workers' Compensation laws of the State of Minnesota, and eligible for Workers' Compensation pay, shall be guaranteed his/her regular pay by the Employer for 90 work days. The Employer will pay the difference between the officer's weekly pay and his/her weekly Workers' Compensation check. Employees will receive credit for sick leave used in bona fide injury cases prior to receipt to their Workers' Compensation checks. At the end of the 90-day work day period, an officer may draw on his/her accumulated sick leave and vacation subject to approval of the Chief of Police. Employees drawing workers compensation benefits will not receive supplementary injury on duty pay pursuant to this Article or sick leave pay which provides for more after-tax pay than the employee made while working. The Employer may require the employee to provide a doctor's certificate stating that the employee is capable of returning to work, either in a limited duty capacity or to resume his/her normal duties.

3. Wages: Amend Appendix A to increase wages:

1% increase effective January 1, 2011; 1% increase effective January 1, 2012; 1% increase effective July 1, 2012; 1% increase effective January 1, 2013; and 1.5% increase effective July 1, 2013.  
Signed contracts have been submitted for execution.

MOTION BY COUNCILMEMBER SANDERS, SECONDED BY COUNCILMEMBER LARSON, TO ADOPT RESOLUTION NO. 11-128, APPROVING THE LABOR AGREEMENT BETWEEN THE CITY AND LAW ENFORCEMENT LABOR SERVICES LOCAL #207. THE MOTION PASSED UNANIMOUSLY.

I. 2012-2013 LAW ENFORCEMENT LABOR SERVICES LOCAL #362 AGREEMENT

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City Manager Fulton presented a memorandum requesting the Council formally ratify the terms of the negotiated labor agreement for 2012-2013 between the City of Coon Rapids and Law Enforcement Labor Services Local #362 representing the Sergeants bargaining unit.

A two-year (2012-2013) agreement was reached through the collective bargaining process. The Law Enforcement Labor Services Local 362 membership voted and ratified the tentative agreement on November 29, 2011.

The substantive terms of the agreement are summarized below.

1. Contract Duration: Two years, calendar years 2012 – 2013.
2. Amend Article 24.1, Injury on Duty, to read as follows:

An officer injured in the line of duty, covered by Workers' Compensation laws of the State of Minnesota, and eligible for Workers' Compensation pay, shall be guaranteed his/her regular pay by the Employer for 90 work days. The Employer will pay the difference between the officer's weekly pay and his/her weekly Workers' Compensation check. Employees will receive credit for sick leave used in bona fide injury cases prior to receipt to their Workers' Compensation checks. At the end of the 90-day work day period, an officer may draw on his/her accumulated sick leave and vacation subject to approval of the Chief of Police. Employees drawing workers compensation benefits will not receive supplementary injury on duty pay pursuant to this Article or sick leave pay which provides for more after-tax pay than the employee made while working. The Employer may require the employee to provide a doctor's certificate stating that the employee is capable of returning to work, either in a limited duty capacity or to resume his/her normal duties.

3. Wages: Amend Appendix A to increase wages:

1% increase effective January 1, 2012; 1% increase effective July 1, 2012; 1% increase effective January 1, 2013; and 1.5% increase effective July 1, 2013. Signed contracts have been submitted for execution.

Staff recommends the Council adopt Resolution No. 11-130, approving the labor agreement between the City and Law Enforcement Labor Services Local 362.

MOTION BY COUNCILMEMBER SCHULTE, SECONDED BY COUNCILMEMBER JOHNSON, TO ADOPT RESOLUTION NO. 11-130, APPROVING THE LABOR AGREEMENT BETWEEN THE CITY AND LAW ENFORCEMENT LABOR SERVICES LOCAL #362. THE MOTION PASSED UNANIMOUSLY.

J.      **INTRODUCE ORDINANCE AMENDING THE CITY'S ZONING MAP, STEVE CULLEY, 325/311/295 NORTHDAL E BOULEVARD, PC 11-31**

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Planner Harlicker presented a memorandum to Council stating the applicants are requesting the introduction of an ordinance rezoning certain properties from Office to Community Commercial.

The proposed action is a change to the land use designation and zoning from *Office* to *Community Commercial*. The area consists of three lots and total 1.52 acres.

Address	Lot Size	Building size	Use
325 Northdale	26,299 sf.	4,797 sf.	Beauty salon
311 Northdale	15,271 sf.	608 sf.	Vacant house
295 Northdale	24,817 sf.	6,450 sf	Vacant building

The subject properties are adjacent to the Community Commercial zoned properties that make up the Foley Boulevard/ Northdale Boulevard commercial area. The abutting properties to the north are a day care center and a municipal water treatment facility. These uses serve as a buffer between the businesses along Northdale Boulevard and the single family neighborhood to the north. The property to the east is a medical office and is zoned Office/PUD. This parcel and Dogwood Street would serve as a buffer to the residences and the school on the east side of Dogwood Street.

Rezoning the subject parcels to *Community Commercial* would be the logical extension of the existing commercial zoning at the intersection Northdale and Foley Boulevards. It is consistent with the *Community Commercial* zoning on the south side of Northdale Boulevard. It would allow the redevelopment or revitalization of the subject parcels in a manner that is compatible and consistent with the other parcels in the commercial node.

The Council should also give consideration to the evaluation criteria found in Section 11- 307 when making their decision on this rezoning request.

**Section 11-307 Criteria**

Effect of public health, safety, order, convenience, and general welfare in the area.

Effect on present and potential surrounding land uses.

Conformance with the Comprehensive Land Use Plan.

Conformance with any applicable development district.

**Comments**

**OK** - The proposed zoning will not adversely impact area. The property is adjacent to community commercial, office and utility land uses.

**OK** – The proposed zoning will not adversely impact the surrounding residential land uses.

**OK** – Assuming the proposed land use amendment is approved, the proposed zone change will be consistent with the City’s Comprehensive Land Use Plan. The proposed land use designation is Community Commercial.

**N/A** – There are is no applicable district plan in this area.

At the Planning Commission meeting held on November 17th, two residents spoke at the public hearing. They were concerned the rezoning would result in increased traffic and noise. The Commission discussed the types of uses allowed in the *Community Commercial* district and compared them to the uses allowed in the *Office* district. Since most of the additional uses allowed in the *Community Commercial* district require a conditional use permit, noise, as well as any other adverse impacts, can be addressed as part of the conditional use permit process.

Some Commissioners believed that the site constraints on the individual properties would limit redevelopment and reuse possibilities to smaller, less intrusive uses.

Other Commissioners thought that since the *Office* district allows many smaller uses such as office and retail that are suitable for these sites, *Office* is the appropriate zoning district. They believed that

the zone change is not required for these properties to be redeveloped or be reused and the proposed change may have detrimental impacts on the area.

Prior to considering the proposed zone change, the Commission made a motion to recommend denial of a proposed Comprehensive Plan amendment from *Office* to *Community Commercial* based on the following:

1. The current land use designation is compatible with the surrounding land use designations and land uses.
2. A change in the land use may have a detrimental impact on the area.
3. A change is not required to allow these parcels to redevelop, the land use designation of office fits more appropriately on these parcels.

The motion failed with a 3:3 vote.

The Commission then made a motion to recommend approval of the proposed zone change based on the following:

1. The proposed rezoning is compatible with the surrounding zoning and land uses.
2. The proposed rezoning would not have an adverse impact on the area.
3. Redeveloping these parcels as *Community Commercial* would be a logical extension of the existing *Community Commercial* zoning to the south and west.
4. The proposed rezoning is consistent with the proposed land use designation of *Community Commercial*.

The motion failed with a 3:3 vote.

Staff recommends the City Council **introduce** the ordinance **approving** the proposed zone change based on the following findings:

1. The proposed rezoning is compatible with the surrounding zoning and land uses.
2. The proposed rezoning would not have an adverse impact on the area.
3. Redeveloping these parcels as *Community Commercial* would be a logical extension of the existing *Community Commercial* zoning to the south and west.
4. The proposed rezoning is consistent with the proposed land use designation of *Community Commercial*.

Hearing no objections, Mayor Howe declared the ordinance to have been introduced.

K. INTRODUCE ORDINANCE ESTABLISHING A STOP SIGN ON 108<sup>TH</sup> LANE AT  
EAGLE STREET

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Public Services Director Gatlin presented a memorandum to Council stating Councilmember Sanders contacted City staff regarding traffic issues at 108th Lane and Eagle Street. This request was forwarded to the Traffic Review Committee for review.

The Traffic Review Committee met in the field on November 10, 2011 to evaluate Councilmember Sanders traffic concerns at 108th Lane and Eagle Street. During the field review it was determined that sight distance problems exist at the intersection. Due to a combination of planting materials, electric utility equipment and the curvature of the road on Eagle Street, it is difficult to see when traffic on 108th Lane approaches Eagle Street. Removing vegetation may not completely solve this problem. Because Eagle Street functions as a through street, stopping traffic on 108th Lane to allow adequate visibility is appropriate at the intersection.

Hearing no objections, Mayor Howe declared the ordinance to have been introduced.

**L. INTRODUCE ORDINANCE REGULATING PARKING ON THE SOUTH SIDE OF 128<sup>TH</sup> AVENUE FROM CROOKED LAKE BOULEVARD TO COON CREEK BOULEVARD**

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Public Services Director Gatlin presented a memorandum to Council stating this past summer, the Traffic Review Committee received complaints about speeding traffic on 128th Avenue. Upon review, staff discovered that action was taken by the City Council in 1989 to impose parking restrictions on both sides of 128th Avenue from Coon Creek Boulevard to Crooked Lake Boulevard. This was required because of State Aid standards at the time.

Since that date the signs have been removed - apparently by the neighborhood. The Public Works Department reinstalled signs restricting parking on both sides of the street. Residents have requested consideration for removal of parking restrictions on at least one side of the roadway. Consideration of that request is appropriate at this time.

After the recent installation of parking restriction signs on both sides of the street, residents on 128th Avenue between Crooked Lake Boulevard and Coon Creek Boulevard have asked for possible consideration to remove parking restrictions on at least one side. Originally restrictions were imposed because of State Aid standards requiring parking prohibitions on both sides of the street for a roadway of 32 feet in width. These State Aid standards have since been changed to allow a roadway of 32 feet to be posted on one side only for no parking. Staff confirmed this change in the State Aid rules. State Aid has indicated that it is possible to remove the old parking restrictions and restrict parking on one side only, based on the new State Aid standards.

This issue has been discussed with the neighborhood and they would prefer to have parking restrictions imposed on the south side of 128th Avenue, the side with mailboxes. Since State Aid has approved this change based on the rule change, it is appropriate to consider action to repeal former parking restrictions and impose new parking restrictions on the south side only. A resolution and ordinance accomplishing these changes have been prepared for Council consideration.

Hearing no objections, Mayor Howe declared the ordinance to have been introduced.

Councilmember Schulte questioned if the sign and fence would be removed in the demolition area along Coon Rapids Boulevard. Public Services Director Gatlin stated he has spoken with the contractor and the sign would be removed, but the fence would remain until the work was completed in the spring.

Councilmember Johnson was pleased with the greenery that remained along this corridor.

Mayor Howe indicated he attended a boys' hockey game at the new arena. He was pleased with the attendance at the game but questioned if the parking lot size was adequate.

Councilmember Sanders agreed this was a concern that the Council should further address.

City Manager Fulton indicated the Council would be holding interviews of potential Planning Commissions next Tuesday, December 13<sup>th</sup> at 6:15 p.m.

15.     **ADJOURN**

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**MOTION BY COUNCILMEMBER SANDERS SECONDED BY COUNCILMEMBER LARSON,  
TO ADJOURN THE MEETING AT 9:30 P.M. THE MOTION PASSED UNANIMOUSLY.**

\_\_\_\_\_  
Tim Howe, Mayor

ATTEST:

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Cathy Sorensen, City Clerk